

DOCKET FILE COPY ORIGINAL

PINE TELEPHONE SYSTEM, INC.

PO BOX 706 104 CENTER STREET
HALFWAY, OREGON 97834
(541) 742-2201 FAX (541) 742-4321

Received & Inspected

FEB 19 2008

FCC Mail Room

February 15, 2008

Ms. Jennifer McKee
Acting Division Chief, Telecommunications Access and Policy Division
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

SUBJECT: Pine Telephone System, Inc. & Qwest Corporation
Joint Petition for Expedited Waiver of
Definition of Study Area (CC Docket No. 96-45)

Dear Ms. McKee:

Pine Telephone System, Inc. is a rural ILEC serving exchanges in Eastern Oregon for the past 45 years. Pine Telephone System, Inc. serves only those customers within its certificated boundaries, and has no affiliates with which to serve customers outside its certificated boundaries.

On January 23, 2008 the Oregon Public Utilities Commission released an Order No. 08-042 that approved the abandonment by Qwest of an unserved portion of its Culver Exchange, and the allocation of the territory into Pine Telephone's new Three Rivers Exchange.

The area is located approximately 50 miles north of Bend, Oregon. There are currently around 200 permanent homes in the area that have never had modern telephone, broadband, or 911 emergency services. Wireless services are for all practical purposes totally unreliable for most homes and businesses.

On February 13, 2008 a joint petition by Pine Telephone System, Inc. and Qwest Corporation was sent to the FCC requesting a waiver to the frozen study area rule so that Pine Telephone can move the area into its current study area Number 532392. A copy of the filing is attached. If the FCC approves the waiver by May of this year 2008 then Pine Telephone can deploy modern fiber-to-the-home facilities to many of the local establishments this year 2008 and to the remainder of the establishments next year. The local people in Three Rivers are very excited of this possibility.

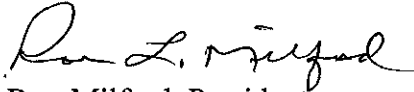
We request the FCC to provide an expedited approval of the joint petition so the rural public there can receive modern telecommunications services this year.

No. of Copies rec'd 2
List ABCDE

Page 2, Joint Petition for Expedited Waiver

Thank you in advance for your consideration of our request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron L. Milford".

Ron Milford, President
Pine Telephone System, Inc.

copy: U.S. Senator Ron Wyden w/ enclosure
U.S. Representative Greg Walden w/ enclosure

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, Washington 98512
Fax (360) 753-6862

Richard A. Finnigan
(360) 956-7001
rickfinn@localaccess.com

Kathy McCrary, Paralegal
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February 13, 2008

VIA FEDERAL EXPRESS

Federal Communications Commission
c/o U.S. Bank
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101

Attn: Wholesale Lockbox Shift Supervisor
PO Box 979091

Re: CC Docket No. 96-45 – In the Matter of Qwest Corporation and
Pine Telephone System Joint Petition for Waiver of the Definition of
“Study Area” Contained in Part 36, Appendix-Glossary of the
Commission’s Rules – Joint Petition for Expedited Waiver

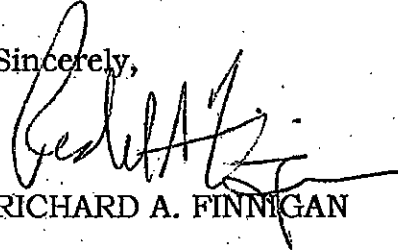
Dear Sir/Madam:

In connection with Lockbox number 979091, enclosed with this letter for filing with the Federal Communications Commission is Qwest Corporation’s and Pine Telephone System’s Joint Petition for Expedited Waiver. Also included is a completed Remittance Advice FCC Form 159; this form includes a payment of the processing fee by credit card (\$7,365.00) associated with this submission. See, 47 C.F.R. §1.1105(4)(b). Finally, enclosed is an extra copy of the first page of the Petition, which has been marked “copy,” which is expressly provided to be stamped as received and returned to the undersigned in the enclosed, stamped, self-addressed envelope.

Federal Communications Commission
February 13, 2008
Page 2 of 2

Thank you for your assistance with this matter, and please do not hesitate to call me at the above telephone number should there be any questions concerning this correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Finnigan", written over the printed name.

RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Daphne Butler (via e-mail)
Nancy Batz (via e-mail)
Ron Milford (via e-mail)

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page No. 1 of 2

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Pine Telephone Svsstem		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$7,365.00	
(4) STREET ADDRESS LINE NO. 1 104 Center Street			
(5) STREET ADDRESS LINE NO. 2 PO Box 706			
(6) CITY Halfway		(7) STATE OR	(8) ZIP CODE 97834
(9) DAYTIME TELEPHONE NUMBER (include area code) (541) 742-2201		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004-3154-61		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Pine Telephone System			
(14) STREET ADDRESS LINE NO. 1 104 Center Street			
(15) STREET ADDRESS LINE NO. 2 PO Box 706			
(16) CITY Halfway		(17) STATE OR	(18) ZIP CODE 97834
(19) DAYTIME TELEPHONE NUMBER (include area code) (541) 742-2201		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0004-3154-61		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE BEA	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$7,365.00	(27A) TOTAL FEE \$7,365.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE _____		DATE _____	

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) FORM 159-C Page No <u>2</u> of <u>2</u>		SPECIAL USE FCC USE ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME		
(14) STREET ADDRESS LINE NO. 1		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY	(17) STATE	(18) ZIP CODE
(19) DAYTIME TELEPHONE NUMBER (include area code)	(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN)	(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
QWEST CORPORATION)
)
and) CC Docket No. 96-45
)
PINE TELEPHONE SYSTEM)
)
Joint Petition for Waiver of the Definition)
of "Study Area" Contained in Part 36,)
Appendix-Glossary of the Commission's Rules)

To: Chief, Wireline Competition Bureau

JOINT PETITION FOR EXPEDITED WAIVER

Pursuant to Section 1.3 of the Federal Communications Commission's ("Commission") Rules,¹ Pine Telephone System, Inc. ("Pine") and Qwest Corporation ("Qwest") (together, "Petitioners"), by and through their counsel, request a waiver of the definition of "study area" contained in the Appendix-Glossary of Part 36 of the Commission's Rules.

Petitioners request this waiver to allow Pine to offer service in the Three Rivers area located in central Oregon ("Three Rivers"). This area was originally within Qwest's Oregon study area and Petitioners request that the territory be removed from Qwest's study area in Oregon and recognized as part of Pine's Oregon study area. Exhibit 1, attached hereto, identifies the area to be served by Pine.

I. INTRODUCTION

Qwest is the largest incumbent local exchange carrier ("ILEC") in Oregon. It is a price cap carrier, and, as of December 31, 2006, it owns and operates 949,044 retail access lines in 62

¹ 47 C.F.R. § 1.3.

exchanges throughout Oregon. That study area is referred to by the Universal Service Administrative Company ("USAC") as study area code 535163. Qwest will continue to provide local telephone service within the other Oregon areas it serves and will retain its study area for those exchanges.

Pine is a rural telephone company providing service within the Granite and Halfway exchanges in the State of Oregon. It has a study area which is referred to by the USAC as study area code 532392. As of June 30, 2007, Pine has 1,014 working loops in Baker, Wallowa and Grant Counties in the State of Oregon. Pine is classified as a rural telephone company and is an eligible telecommunications carrier under the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the "Act"). Pine receives federal Universal Service Fund (or "USF") support as a "cost company," not a "price cap company."

As will be discussed below in more detail, the factors that the Commission requires for a study area waiver are, or will be, all present in this case: (1) the public interest will be served by approving the waiver; (2) the Oregon Public Utility Commission ("OPUC") supports the transfer of territory; and (3) the inclusion of the Three Rivers area within the Pine study area will not adversely impact the USF. Thus, the facts and circumstances supporting approval are similar in material respects to those involved in waiver requests that have been approved recently.²

² See, e.g., *In the Matter of Dickey Rural Telephone Cooperative, Dickey Rural Access, Inc., Polar Telecommunications, Inc., Red River Rural Telephone Association, Red River Telecom, Inc., and Citizens Telecommunications Company of North Dakota, Joint Petition for Waiver of the Definition of "Study Area" Contained in the Part 36, Appendix-Glossary of the Commission's Rules, Petition for Waiver of Sections 61.41(c) and (d), 69.3(e)(11) and 69.605(c), Order*, 17 FCC Rcd 16881 (2002); *In the Matter of Petition for Waivers Filed by Baltic Telecom Cooperative, Inc., East Plains Telecom, Inc. and US WEST Communications, Inc., Concerning Sections 69.3(e)(11), 69.3(i)(4), 69.605(c) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules*, Memorandum Opinion and Order, 12 FCC Rcd 2433 (1997).

II. WAIVER OF THE FROZEN STUDY AREA DEFINITION IS WARRANTED

Petitioners seek a waiver of the frozen study area definition. Part 36 of the Commission's Rules "freezes" the definition of "study area" to the boundaries that were in existence on November 15, 1984. Although the rule was adopted to prevent a carrier from segregating territories artificially to maximize high-cost support,³ the Commission has recognized that changes "that result from the purchase or sale of exchanges in arms-length transactions" do not necessarily raise the concerns which prompted the freeze.⁴

The Commission has recognized that failure to waive the rule in the case of the sale of exchanges would produce an absurd result, forcing the seller to continue to include exchanges in its study area for which it has no costs, and preventing the buyer from including in its study area exchanges it actually serves.⁵ Such a result would not serve the Commission's policy objective of ensuring that carriers' actual costs are reflected in their accounting so that they can accurately set just, reasonable, and non-discriminatory rates. In this case, the area to be transferred was transferred without compensation to Qwest since Qwest does not have facilities in the area and does not provide service in the area. Qwest does not draw USF support for the Three Rivers area or the remaining Qwest exchanges in its study area. The waiver sought herein will conform the Commission's policy objectives to the operational facts on the ground.

³ See *In the Matter of MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, Recommended Decision & Order, 57 RR 2d 267, 290 ¶ 65 (1984).

⁴ See, e.g., *In the Matter of Alltel Corporation Petition for Waiver of Section 36.125(f), Sections 36.154(e)(1) and (2), and the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules*, Memorandum Opinion and Order, 5 FCC Rcd 7505 ¶ 7 (1990).

⁵ See *In the Matter of Amendment to Part 36 to the Commission's Rules and Establishment of a Joint Board*, Notice of Proposed Rulemaking, 5 FCC Rcd 5974, 5975-76 ¶ 17 (1990).

A. Granting the Waiver Is in the Public Interest.

Pine is a rural telephone company providing service to what are largely residential and farming communities in the eastern Oregon Counties of Baker, Wallowa and Grant. The Three Rivers area is located in central Oregon and was formerly the western unserved area of the Qwest Culver exchange in Jefferson County, Oregon. Qwest does not have facilities in the area to serve the customers in the Three Rivers area. This transfer of territory has been approved by the OPUC. A copy of their order is attached as Exhibit 2. The OPUC has approved two prior transfers of territory between Qwest and Pine, and this Commission has before it a pending Joint Petition for Study Area Waiver in CC Docket No. 96-45 related to those transfers (and one other transfer) that was filed on May 4, 2006.

No facilities are to be transferred from Qwest to Pine. Pine has built or is building facilities throughout the area. Allowing this area to be in the Pine study area will mean that state-of-the-art service options will be available to subscribers, including, not only basic services, but broadband access.

There are approximately 130 homes and businesses within this Three Rivers area. Using a five-year projection, it is estimated that there will be approximately 250 customers within the Three Rivers area.

B. The OPUC Supports the Transfer of Territory.

As noted above, the OPUC supports the service area inclusion for Pine by finding that it is in the public interest for Pine to serve the area. Qwest has filed and the OPUC has approved

amendments to Qwest's exchange maps to remove the Three Rivers area from the Qwest service area.⁶

C. The Change in Study Area Boundaries Will Not Adversely Affect the Universal Service Fund.

To evaluate whether a study area boundary change adversely impacts the USF, the Commission analyzes whether a study area waiver will result in an annual aggregate shift in high-cost support in an amount greater than one percent of the total high-cost support fund for the year.⁷ The transfer of the Three Rivers area to Pine will not produce an adverse impact on the USF.

Pine currently serves no customers in the Three Rivers area and has received no USF support for that area. Based upon Pine's support on a per working loop basis today, if Pine serves all 132 homes and businesses, it will receive USF support for those working loops in the amount of \$277,637.⁸ Given that USAC's projections show annual high-cost support exceeding \$4,264,400,000,⁹ this transaction is a non-event for purposes of the USF.

⁶ See, e.g., *In the Matters of Qwest Corporation Application to Abandon and Transfer Allocated Service Territory (UA 112) and Pine Telephone System, Inc. Application for an Order Allocating Territory (UA 113)*, Public Utility Commission of Oregon, Order No. 08-042, entered Jan. 23, 2008.

⁷ See, e.g., *In the Matter of US West Communications, Inc. and Eagle Telecommunications, Inc., Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules, and Eagle Telecommunications, Inc. Petition for Waiver of Section 61.41(c) of the Commission's Rules*, Memorandum Opinion and Order, 10 FCC Rcd 1771, 1774 ¶ 14 (1995); *In the Matter of Norway Rural Telephone Company and Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom, Joint Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules, Petition for Waiver of Sections 69.3(e)(11) and 69.605(c) of the Commission's Rules*, 17 FCC Rcd 20127, 20130-31 ¶ 9 (2002).

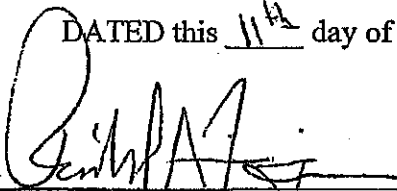
⁸ This amount is calculated based upon the projected receipt of funds from the USAC Reports HC01 and HC05 for third quarter 2007.

⁹ See *USAC HC01 – High-Cost Support Projected by State by Study Area – First Quarter 2007.xls*, on-line at [http://www.universalservice.org/\("USACHC01"\)](http://www.universalservice.org/().

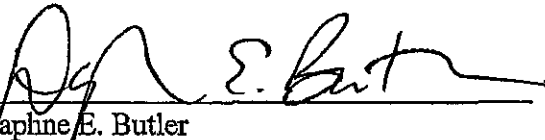
III. CONCLUSION

The study area waiver and modification sought herein is a necessary step in order to fulfill the policies for universal service. The immediate request is directly analogous to comparable requests routinely granted by the Commission. Therefore, good cause having been shown, Petitioners respectfully request that this Joint Petition be granted on an expedited basis.

DATED this 11th day of February, 2008.



Richard A. Finnigan
Attorney for Beaver Creek Cooperative Telephone Company
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001



Daphne E. Butler
Attorney for Qwest Corporation
Suite 950
607 14th Street, N.W.
Washington, DC 20005
(303) 383-6653

EXHIBIT 1

Beginning at the SW corner of S19 of T13 S, R11 E, WM Meridian, as the Point of Beginning and proceeding north along said section line northerly to the SE corner of S36 of T11 S, R10 E, WM Meridian, thence west along the south boundary of said S36 to the SW corner of S34, T11 S, R10 E, WM Meridian, thence north along the western section line of said S34 to the NW corner of S3, T11 S, R10 E, thence east along the section line of said S3 to the intersection of the midpoint of the Metolius River as it exists in January of 2008, thence southeasterly and easterly following the midpoint of said Metolius River to its intersection with the Deschutes River as it exists in January of 2008 at a point approximately in the vicinity of the NW corner of S27, T11 S, R12 E, WM Meridian, thence following the midpoint of said Deschutes River southerly to the point it intersects with Squaw Creek as it exists in January of 2008 in S7 of T13 S, R12 E, thence southwesterly along the midpoint of said Squaw Creek to the point where it intersects with the southern boundary of S23, T13 S, R11 E, thence following the southern line of said S23 west to the Point of Beginning.

EXHIBIT 2

BEFORE THE PUBLIC UTILITY COMMISSION**OF OREGON**

UA 112 and UA 113

In the Matters of)	
)	
QWEST CORPORATION)	
)	
Application to Abandon and Transfer)	
Allocated Service Territory, (UA 112))	ORDER
)	
and)	
)	
PINE TELEPHONE SYSTEM, INC.)	
)	
Application for an Order Allocating Territory.)	
(UA 113))	

DISPOSITION: APPLICATIONS APPROVED

On August 16, 2007, Qwest Corporation (Qwest) and Pine Telephone System, Inc. (Pine Telephone) made contemporaneous filings seeking to effectuate a transfer of allocated service territory pursuant to ORS 759.560. The territory, known as the "Three Rivers area," is currently located in Qwest's Culver Exchange. Qwest's application seeks permission to abandon the subject territory, as well as the approval of its revised Culver Exchange territory. Pine Telephone's application requests allocation of the abandoned territory, which will become the Three Rivers Exchange.

On January 9, 2008, the Commission Staff (Staff) filed correspondence in response to the filings. Staff concludes that the applications are not contrary to the public interest and recommends that the Commission approve them.

BACKGROUND

The Three Rivers area lays to the west of the Deschutes River and is located approximately 50 miles north of Bend, Oregon. The 110 square mile area is bordered on the north by the Metolius River and Lake Billy Chinook.

The Three Rivers area is not close enough to existing Qwest facilities to allow Qwest to economically serve the 132 homes and businesses located there. For this reason, Qwest seeks to abandon the territory. Pine Telephone, in turn, requests that the territory be allocated to it so that it may provide telephone service to the unserved area. Pine Telephone has concluded that the existing cost recovery

mechanisms for its existing exchanges—including access charges, federal and state universal service support, and local rates—are adequate to support the construction of facilities in Three Rivers.

With its application, Pine Telephone included a copy of proposed rates for service in the proposed Three Rivers Exchange. These rates, which would be filed for Commission approval in a separate Commission proceeding, propose to charge business and residential customers a monthly flat rate of \$15.00 with no extended area service (EAS). Staff does not object to these proposed rates and, given the level of outside support necessary for service to the Three Rivers area, concludes they are reasonable. Staff also adds that, although the Culver Exchange currently has EAS to the Bend, Madras and Redmond exchanges, there are no current Culver Exchange customers in the Three Rivers area that benefit from this service. Accordingly, Staff does not oppose Pine Telephone's proposal that customers in the new Three Rivers Exchange will be required to use toll service when calling the Bend, Madras and Redmond exchanges, rather than EAS. Indeed, Staff points out that, if calls were EAS rather than toll, much of Pine Telephone's revenue would disappear, and the project might not be economically feasible.

Qwest and Pine Telephone each filed for Commission approval maps showing the proposed area to be abandoned by Qwest and allocated to Pine Telephone. See Appendix A. Qwest also provided a revised Culver Exchange map for approval. In their respective applications, Qwest and Pine Telephone each requested waiver of OAR 860-025-0027(1)(e) and (f), which would also require the parties to file legal descriptions of the areas, including metes and bounds. The parties note that current law no longer requires the use of legal descriptions for the approval of territorial allocations. See ORS 759.500(1).

DISCUSSION

Staff supports the applications and is encouraged that Pine Telephone will be able to bring telephone service to this unserved area. Accordingly, Staff makes three recommendations. First, it recommends that the Commission waive the filing of legal descriptions of the subject territory otherwise required by OAR 860-025-0027(1)(e) and (f). Second, it recommends that the Commission allow Qwest to abandon the area known as Three Rivers, and approve Qwest's revised Culver Exchange that omits this area. Third, it recommends that the Commission allocate the abandoned Three Rivers area to Pine Telephone, and grant Pine Telephone authority to serve the Three Rivers Area as an additional telephone exchange.

CONCLUSION

For the reasons cited above, we find that the proposed abandonment by Qwest of an unserved portion of its Culver exchange, and the subsequent allocation of that unserved and unallocated territory to Pine Telephone, is reasonable and not contrary to the public interest. The applications should be granted in their entirety.

ORDER

IT IS ORDERED that:

1. The application filed by Qwest Corporation to abandon an unserved portion of its Culver Exchange, known as the Three Rivers area, is granted.
2. The application filed by Qwest Corporation for approval of its revised Culver Exchange is granted.
3. The application filed by Pine Telephone System, Inc., for allocation of the unserved and unallocated territory formerly part of Qwest Corporations' Culver Exchange is granted.
4. The application filed by Pine Telephone System, Inc., to serve this area as the Three Rivers Exchange is granted.
5. The requests for waiver of OAR 860-025-0027(1)(e) and (f), filed by Qwest Corporation and Pine Telephone System, Inc, are granted.

Made, entered, and effective JAN 23 2008


Lee Beyer
Chairman

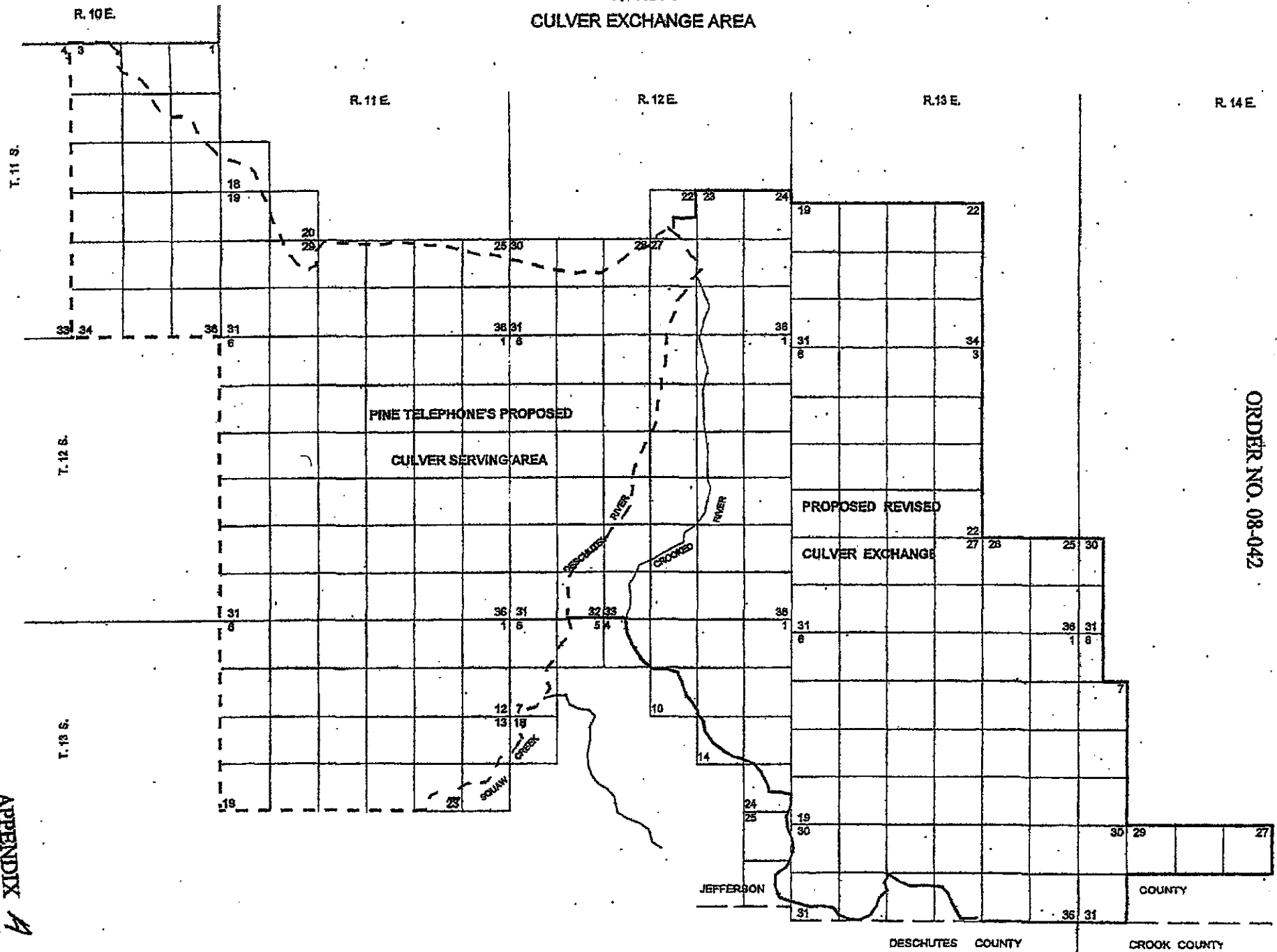

John Savage
Commissioner


Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

WEST CULVER EXCHANGE AREA



ORDER NO. 08-042